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# TRADE PROJECT

## **BILATERAL/REGIONAL /MULTILATERAL AGREEMENTS AND INTERNATIONAL CONVENTIONS ON TRADE, TRANSIT, TRANSPORT AND INVESTMENT: PAKISTAN'S STATUS ON RATIFICATION**

April 2012,

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### **PAKISTAN'S STATUS ON RATIFICATION**

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DELOITTE CONSULTING, LLP

USAID/PAKISTAN, ECONOMIC GROWTH OFFICE

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## BACKGROUND

The paper provides a snapshot of the bilateral, regional and multilateral agreements and conventions on transit and transport that exist, the status of Pakistan's ratification for each, the key issues to the implementation (by Pakistan) of each, and the current involvement of USAID Trade Project with respect to each agreement and convention.

In this document, bilateral agreements refer to those transit and / or transport agreements signed between Pakistan and another country. Regional agreements or conventions refer to agreements negotiated between three or more countries in a region. Multilateral agreements and conventions refer to agreements and conventions under the ambit of the World Customs Organization (WCO), while the Bilateral Investment Treaties (BITs) refer to the bilateral investment agreements of Pakistan with other countries and organizations.

Table 1 shows Pakistan's Bilateral, Regional, Multilateral agreements with different countries in the region. Table 2 provides a brief overview of some of the International conventions that are significant to Pakistan in terms of its regional connectivity while in Table 3 and Table 4 of this paper, detailed summary and features of the selected International conventions with reference to the Afghanistan Pakistan Transit Trade Agreement (APTTA 2010) are given. Table 5 gives a snapshot of Pakistan's Free Trade Agreements and Preferential Trade Agreements signed with various countries. Table 6 illustrates a list of Pakistan's Bilateral Investment Treaties (BITs) signed with different countries / organizations. The conventions / agreements on which the USAID Trade Project is currently providing support to the Government of Pakistan and / or the private sector, are indicated by a dark blue outline of the respective row, with grey fill in the above mentioned tables. For example, see Row 2 of Table 1.

## BILATERAL / REGIONAL TRANSIT AND TRANSPORT AGREEMENTS

Below is a list of 17 bilateral / regional transit and transport agreements that Pakistan is signatory to. The countries that are party to the agreements with Pakistan involve China, Afghanistan, India, Kyrgyzstan, Kazakhstan, Azerbaijan, Turkmenistan, Tajikistan, Uzbekistan, Iran & Turkey.

**Table 1: Overview of Pakistan's Bilateral/Regional Transit and Transport Agreements**

Sr. No.	TRANSPORT AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
1	<b>Quadrilateral Agreement for Traffic in Transit</b> Covers movement of goods and vehicles across designated borders	Pakistan, Kyrgyzstan, Kazakhstan & China	Ministry of Communications	<b>Signed 9<sup>th</sup> March 1995</b> Came into force May 2004	Traffic in Transit is in operation since May 2004. Key impediment in the implementation is the lack of agreement on trade facilitation measures and Customs to Customs cooperation. The other key impediment is that the route defined under the agreement is not deemed to be economically feasible for the majority of the transit and transport sector. Another issue is the limited quota for traffic in transit.
2	<b>Afghanistan Pakistan Transit Trade Agreement (APTTA)</b> Provides access to landlocked Afghanistan to the outside world and facilitates Pakistan's overland trade links with the Central Asian states	Afghanistan & Pakistan	Ministry of Commerce	<b>Signed Nov 2010</b> Operational / Partially implemented	Insurance Guarantees (IG) are not being released due to stringent conditions by Pakistan Customs and non cooperation by Afghan Customs; rates of IGs also high compared to market rates and non implementation of other

Sr. No.	TRANSPORT AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
					APTTA conditions e.g. Tracking devices, EDI etc. The other key impediment is the provision of bank guarantees for the entry of afghan trucks. Excessive checks by law enforcement, other than customs, are also creating problems in smooth implementation.
3	<b>Bilateral Agreement Between Pakistan &amp; China on International Road Transport</b> Covers transportation of goods and passengers	Pakistan & China	Ministry of Communications	<b>Signed Dec 1993</b> Operational since 2006	Permits are issued to goods vehicles from Gilgit to Kashgar. China, however Chinese do not allow the vehicles to go beyond Tashkurgan about 120 KMs from the border. This is against the agreement and needs to be resolved.
4	<b>Bilateral Agreement on Road Transportation Between Pakistan and Iran</b> Initially covered only movement of goods. Transportation of passengers added through an amendment in 1992	Pakistan & Iran	Ministry of Communications	<b>Signed in 1987</b> Operational since 1987	Excessive fees s being charged by Iranian authorities for entry of Pakistani trucks. The transporters of Pakistan want reciprocal treatment, i.e. Iran to charge same fees as was being levied by Pakistan for the entry of Iranian trucks.
5	<b>Agreement on International Transport of Passengers and Goods By Road Between Pakistan &amp; Iran</b> Allows carriers to transport passengers or goods by road between the contracting parties or in Transit through their	Pakistan & Iran	Ministry of Communications	<b>Signed June 2008</b> Pakistan has completed the Ratification process	Government of Iran has yet to Ratify this agreement

Sr. No.	TRANSPORT AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
	territories or from/to 3 <sup>rd</sup> countries with whom both have agreements				
6	<b>ECO Transit Transport Framework Agreement (TTFA)</b> Broad-based agreement covering movement of goods, passengers and luggage between and among contracting parties	Azerbaijan, Afghanistan, Pakistan, Turkmenistan, Tajikistan, Kyrgyzstan, Uzbekistan, Iran & Turkey	Ministry of Commerce	<b>Signed on 9<sup>th</sup> May 2009</b> by all States (Except Uzbekistan)	Not yet enforced in Pakistan. The Government of Pakistan (GOP) is planning to enforce it once the operational modalities are finalized by the ECO Secretariat. The agreement uses TIR systems for facilitating traffic in transit. Pakistan has not yet acceded TIR Convention.
7	<b>Bilateral Agreement Between Pakistan &amp; Uzbekistan on Cooperation in the Field of Road Transport</b> Deals with the transportation of goods and vehicles between the two countries as well as transit through 3 <sup>rd</sup> country	Pakistan & Uzbekistan	Ministry of Communications	<b>Signed in March 2007</b> Instruments of Ratification exchanged between the two States	Not yet operational: Customs procedures, regulations / operational details and transit permits mechanism need to be agreed upon by both parties. Can be instrumental in linking Pakistan beyond Central Asia through Uzbekistan.
8	<b>Bilateral Agreement Between Pakistan &amp; Turkey on Road Transportation</b> Facilitates transportation of passengers and goods by road between two countries and in transit through their territories	Pakistan & Turkey	Ministry of Communications	<b>Signed on 15<sup>th</sup> June 2003</b> Not operational	Earlier, access / transit through the territory of Iran was not granted; but now with the signing of International Road Transport Agreement between Pakistan & Iran in Jun 2008, transit facilities would be available to the vehicles across each other's territory & also to a third country subject to ratification by Iran.
9	<b>Bilateral Agreement Between Pakistan</b>	Pakistan &	Ministry of	<b>Signed on 11<sup>th</sup> Dec</b>	Access route through Afghanistan

Sr. No.	TRANSPORT AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
	<b>&amp; Kyrgyzstan on Road Transportation</b> Provides for transportation of passengers and cargoes between two countries and in transit through their territories on defined routes	Kyrgyzstan	Communications	<b>1994</b> Not operational	and / or Tajikistan is now available under APTTA and TTFA of ECO. Pakistan now has to push for its implementation.
<b>10</b>	<b>Bilateral Agreement Between Pakistan &amp; Kazakhstan on Road Transportation</b> Provides for transportation of passengers and cargoes between two countries and in transit through their territories on defined routes	Pakistan & Kazakhstan	Ministry of Communications	<b>Signed 12<sup>th</sup> March 1995</b> Not operational	Access route through Afghanistan and Uzbekistan is now available under APTTA and TTFA of ECO.
<b>11</b>	<b>Agreement on Pak-India Bus Service between Lahore &amp; New Delhi</b> Passenger agreement	Pakistan & India	Ministry of Communications	<b>Signed 17<sup>th</sup> Feb 1999</b> Operational 6 days a week (except Sunday)	The bus service is running much below potential due to stringent visa regimes. There have been instances when bus returns empty from Pakistan as there were no passengers for India. In case visa rules are not relaxed, it may pose problems for the sustainability of the service.
<b>12</b>	<b>Agreement on Pak-India Bus Service between Lahore &amp; Amritsar</b> Passenger agreement	Pakistan & India	Ministry of Communications	<b>Signed in Dec 2005</b> Operational since Jan 2006	-
<b>13</b>	<b>Agreement on Pak-India Bus Service between Nankana Sahib &amp; Amritsar</b> Passenger agreement	Pakistan & India	Ministry of Communications	<b>Signed in Dec 2005</b> Operational since Jan 2006	-
<b>14</b>	<b>Agreement on the Commencement of Pak-Afghan Bus Service between Quetta &amp; Jalalabad</b> Passenger agreement	Pakistan & Afghanistan	Ministry of Communications	<b>Signed 23<sup>rd</sup> March 2005</b> Operational since 27 <sup>th</sup> May 2006	Security of passengers has been a key concern.
<b>15</b>	<b>Agreement on the Commencement of</b>	Pakistan &	Ministry of	<b>Signed 23<sup>rd</sup> March</b>	Security situation in the area;



Sr. No.	TRANSPORT AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
	<b>Pak-Afghan Bus Service between Quetta &amp; Qandhar</b> Passenger agreement	Afghanistan	Communications	<b>2005</b> Not operational	operational details of the agreement have not been finalized.
16	<b>Proposed Agreement between Pakistan &amp; Turkmenistan on Transit Traffic</b> To utilize the right of transit through the territory of Afghanistan up to the border of Turkmenistan	Pakistan & Turkmenistan	Ministry of Commerce	Proposed by Pakistan	Under negotiation. Trade feels that APTTA and TTFA cover Transit through Afghanistan.
17	<b>Proposed Agreement between Pakistan &amp; Tajikistan on Transit Traffic</b> To utilize the right of transit through the territory of Afghanistan up to Tajikistan border	Pakistan & Tajikistan	Ministry of Commerce	Proposed by Pakistan	Under negotiation. Trade feels that APTTA and TTFA of ECO cover Transit through Afghanistan.

## INTERNATIONAL CUSTOMS, TRANSPORT AND TRANSIT CONVENTIONS

This section provides an overview of the key international Customs, transport and transit related conventions and the status of Pakistan's ratification of each. The key conventions highlighted are:

1. Transports Internationaux Routiers (TIR) or the International Road Transport Convention
2. Revised Kyoto Convention (RKC)
3. Customs Convention on Containers (CCC)
4. Convention Concerning International Carriage by Rail (COTIF)
5. Convention Concerning International Carriage by Road (CMR)
6. International Convention on the Harmonization of Frontier Controls of Goods
7. ATA Carnet (Istanbul Convention on ATA Carnet / Convention on Temporary Admission)
8. Convention on road signs and Signals (CRSS)
9. Vienna Convention on Road Traffic
10. Customs convention on the Temporary Importation of Commercial Road Vehicles
11. Cross-Border Transport Agreement (CBTA)

**Table 2: Overview of International Conventions**

Sr. No	International Conventions	Governing Body	Date of Signature / Entry into Force	Pakistan's Status on Accession
1	<b>Transports Internationaux Routiers (TIR) or the International Road Transport Convention</b> Made to simplify and harmonize the administrative formalities of international road transport (in combination of other modes of transport)	<b>UNECE</b> United Nations Economic Commission for Europe	<b>Made at Geneva on 14 Nov 1975</b>	Not a signatory / party. The Ministry of Commerce, Government of Pakistan, is pursuing this with the Government of Pakistan for approval of ratification.
2	<b>Revised Kyoto Convention (RKC)</b> To promote the simplification and harmonization of customs procedures and to provide a set of comprehensive Customs procedures to facilitate legitimate international trade	<b>WCO</b> World Customs Organization Federal Board of Revenue (FBR– Customs) in Pakistan	<b>Signed June 1999, Entry into force Feb 2006</b>	Pakistan became a signatory to it on 1st Oct 2004. It is ratified and is being partially implemented by the Federal Board of Revenue (Government of Pakistan). USAID Trade Project is Analyzing the Convention
3	<b>Customs Convention on Containers (CCC)</b> provides for the temporary importation of containers, free of import duties and taxes, subject to re-exportation within 3 months and without the production of customs documents or security	<b>WCO</b> Customs Cooperation Council of World Customs Organization & United Nations-International Maritime Organization	<b>Done at Geneva, 2nd Dec 1972</b>	No. The Federal Board of Revenue (FBR) is pursuing it within the GOP.
4	<b>Convention Concerning International Carriage by Rail (COTIF)</b> To promote, improve and facilitate, in all respects, international traffic by rail	<b>OTIF</b> Intergovernmental Organization for International Carriage by Rail	<b>Entry into force – 1985, amended by the Vilnius Protocol in 1999</b>	No. The Ministry of Railways (GoP) is pursuing it within the GOP.

Sr. No.	International Conventions	Governing Body	Date of Signature / Entry into Force	Pakistan's Status on Accession
5	<b>Convention Concerning International Carriage by road (CMR)</b> Relates to various legal issues concerning transportation of cargo, predominantly by lorries, by road	<b>UNECE</b> United Nations Economic Commission for Europe	<b>Signed in Geneva on 19 May 1956</b>	No / Not Pursuing
6	<b>International Convention on the Harmonization of Frontier Controls of Goods</b> Intended to remove cross-border technical barriers, applies to all goods being imported or exported or in transit, when they are moved across one or more maritime, air or inland frontiers	<b>UNECE</b> United Nations Economic Commission for Europe (Inland Transport Committee)	<b>Signed in Geneva on 21 October 1982</b>	No. The Federal Board of Revenue (FBR) is pursuing it within the GOP.
7	<b>ATA Carnet (Istanbul Convention on ATA Carnet / Convention on Temporary Admission)</b> A single international instrument combining all the existing Conventions on temporary admission	<b>WCO</b> World Customs Organization	<b>Entry into force, Nov 27 1993</b>	Yes. Acceded in 2004
8	<b>Convention on road signs and Signals (CRSS)</b> An international treaty designed to increase road safety and aid international road traffic by standardizing the signing system for road traffic (road signs, traffic lights and road markings) in use internationally	<b>UNECE</b> United Nations Economic Commission for Europe (Inland Transport Committee)	<b>Done on Nov 8, 1968, Came into force June 6, 1978</b>	Yes, Acceded in 1980

Sr. No.	International Conventions	Governing Body	Date of Signature / Entry into Force	Pakistan's Status on Accession
9	<b>Vienna Convention on Road Traffic</b> International treaty designed to facilitate international road traffic and to increase road safety by establishing standard traffic rules among the contracting parties	<b>UNECE</b> United Nations Economic Commission for Europe (Inland Transport Committee)	<b>Done at Vienna on Nov 8, 1968</b> , Entry into force 21 May 1977	Yes, Acceded in 1986
10	<b>Customs convention on the Temporary Importation of Commercial Road Vehicles</b> To facilitate international road transport and apply to the temporary import of commercial road vehicles into the customs territories of the Community	<b>UNECE</b> United Nations Economic Commission for Europe (Inland Transport Committee)	<b>Geneva – 18 May 1956</b> ; Entry into force 8 April 1959	No / GoP Pursuing - Work in Progress
11	<b>Cross-Border Transport Agreement (CBTA)</b> <b>(Agreement on the Cross-Border Transport of Persons, Vehicles &amp; Goods under CAREC Framework)</b> Aims to smooth the movement of people and goods across borders in Central Asia	<b>CAREC / ADB</b> Central Asia Regional Economic Cooperation / Asian Development Bank	<b>Signed Nov/Dec 2010</b>	No. To Accede to CBTA, GoP has to Accede to TIR. Asian Development Bank (ADB) is pursuing to bring GOP as an observer in the negotiations for finalizing the procedures.

## DETAILS OF THE SELECTED INTERNATIONAL CONVENTIONS & APTTA

This section provides further details on the scope and the salient features of each of the international Transit, Transport and Customs conventions referred to in the previous section, Table 2.

**Table 3: Summary and Features - International Conventions With Respect To APTTA (1 To 6)**

	1. APTTA Afghanistan Pakistan Transit Trade Agreement	2. TIR Customs Convention on the International Transport of Goods (Abbr.: Transports Internationaux Routiers)	3. CMR Customs Convention on the Contract for the International Carriage of Goods by Road	4. CCC Customs Convention on Containers	5. COTIF Convention Concerning International Carriage by Rail	6. International Convention on the Harmonization of Frontier Controls of Goods
	<b>SUMMARY</b>					
1	<ul style="list-style-type: none"> <li>-Signed in November 2010, implemented in June 2012</li> <li>-It is an improvement on an earlier agreement signed in 1965;</li> <li>-Provides access to landlocked Afghanistan to the outside world and facilitates Pakistan's overland trade links with the Central Asian states</li> </ul>	<ul style="list-style-type: none"> <li>- Made at Geneva on 14 Nov 1975</li> <li>- 66 Parties to the Convention by Jan 2006</li> <li>-Made to simplify and harmonize the administrative formalities of international road transport (in combination of other modes of transport)</li> <li>- Covers movement of containers/vehicles/goods</li> <li>-5 Pillars: <ul style="list-style-type: none"> <li>i. Secure Vehicles/Containers</li> <li>ii. International Guarantee</li> <li>iii. Document (TIR Carnet)</li> <li>iv. Mutual Recognition of Customs Control.</li> <li>v. Controlled access</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>-Signed in Geneva on 19 May 1956</li> <li>-Relates to various legal issues concerning transportation of cargo, predominantly by lorries, by road</li> <li>-Members - All EU states plus Lebanon and Iran</li> </ul>	<ul style="list-style-type: none"> <li>-Done at Geneva, 2nd Dec 1972</li> <li>-The Convention provides for the temporary importation of containers, free of import duties and taxes, subject to re-exportation within 3 months and without the production of customs documents or security</li> </ul>	<ul style="list-style-type: none"> <li>- Entry into force – 1985, amended by the Vilnius Protocol in 1999</li> <li>-To promote, improve and facilitate, in all respects, international traffic by rail</li> <li>-Does not apply to matters which come within the remit of the rail companies (transport companies and infrastructure managers) such as, marketing, tariffs, timetables, operation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Signed in Geneva on 21 October 1982</li> <li>- Intended to remove cross-border technical barriers</li> <li>- It applies to all goods being imported or exported or in transit, when they are moved across one or more maritime, air or inland frontiers.</li> </ul>
2	<ul style="list-style-type: none"> <li>- Provision for securing financial guarantees for Afghan transit goods</li> <li>- Electronic Data Interchange</li> <li>- Real time tracking of the vehicles/containers</li> </ul>	<ul style="list-style-type: none"> <li>-The TIR system not only covers customs transit by road but a combination is possible with other modes of transport (e.g., rail, inland waterway and even maritime transport), as long as at least one part of the total transport is made by road</li> </ul>	<ul style="list-style-type: none"> <li>Purpose is to standardize the conditions governing the contract for the international carriage of goods by road, particularly with respect to the documents used for such carriage and to the carrier's liability</li> </ul>	<ul style="list-style-type: none"> <li>-The Convention also provides for the approval of containers under customs seal (these approval provisions are identical to those in the Convention on the International Transport of Goods Under Cover of TIR Carnets – the TIR Convention, 1975)</li> </ul>	<ul style="list-style-type: none"> <li>Main Components: <ul style="list-style-type: none"> <li>• International rail transport law (passenger and freight traffic);</li> <li>• Carriage of dangerous goods;</li> <li>• Contracts for the use of vehicles;</li> <li>• Contracts for the use of railway infrastructure</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- The Convention is part of the external trade policy, which is an area of exclusive Community competence.</li> </ul>
	- Carriage of Transit Cargo by private	An international customs transit system to move goods:	Applies to every contract for the	The WCO administers this	• Validation of technical	- Committed to

	1. APTTA Afghanistan Pakistan Transit Trade Agreement	2. TIR Customs Convention on the International Transport of Goods (Abbr.: Transports Internationaux Routiers)	3. CMR Customs Convention on the Contract for the International Carriage of Goods by Road	4. CCC Customs Convention on Containers	5. COTIF Convention Concerning International Carriage by Rail	6. International Convention on the Harmonization of Frontier Controls of Goods
3	carriers (Customs Bonded Carriers) -Bank Guarantees for Trucks -Sealing of containers	<ul style="list-style-type: none"> <li>- in sealed vehicles or containers;</li> <li>- from a customs office of departure in one country to a customs office of destination in another country;</li> <li>- without requiring extensive and time-consuming border checks at intermediate borders;</li> <li>- at a cost-effective price;</li> <li>- while, at the same time, providing customs authorities with the required security and guarantees.</li> </ul>	carriage of goods by road in vehicles for reward, when the place of taking over of the goods and the place designated for delivery, are situated in two different countries, of which at least one is a contracting country, irrespective of the place of residence and the nationality of the parties.	Convention on behalf of the UN/ECE	standards and adoption of uniform technical specifications for railway equipment; • Removal of obstacles to the crossing of frontiers in international rail transport	streamlining administrative procedures at borders and reducing the number and duration of controls carried out by customs authorities.
4		To date, more than 40,000 international transport operators had been authorized (by their respective competent national authorities) to access the TIR system, using more than 3.2 million TIR carnets per year.	This Convention also applies where carriage coming within its scope is carried out by States or by governmental institutions or organizations.			

## FEATURES

1	Facilitation Of Transit Trade (Provision Of Infrastructure And Services / Exchange Of Road / Rail Traffic Rights)	Revenue Protection Through Provision of an International Guarantee	Electronic Communication (Consignment Note, Demand, Declaration, Instruction, Request, reservation or other communication)	Temporary Admission Facilities & Procedures (Uniform Rules)	<b>Uniform Rules / Protocols for Carriage by Rail of:</b> i) Goods (CIM) ii) Passengers (CIV) iii) Dangerous Goods (RID) iv) Intl. Rail Traffic (CUV) v) Infra. In Intl. Rail Traffic (CUI) vi) Technical standards etc. (APTU) vii) Railway Material (ATMF)	Administrative Procedures at Borders (Reduction in No. & Duration of Controls) Dwell-Time Reduction
2	Licensing Of Transport Operators (Harmonization And Facilitation Of The Requirements Necessary For The Carriage Of Goods Into/From And Through Their Own Territories)	Facilitation of Cross Border Transports		Provisions / Regulations for the Transport of Containers under "Customs Seal"		Provisions Concerning Transit (Simple/Speedy treatment of goods in transit by limiting inspections)
3	Rules Concerning the Criteria for Licensing Road Transport Operators for International Carriage of Goods in Transit	Simplification & Harmonization of Customs Transit Procedures			Liability & Assertion of Rights (Presumption of Loss of Goods, Compensation of Loss/Damage/Exceeding Transit	Electronic Exchange of Information

1. APTTA Afghanistan Pakistan Transit Trade Agreement		2. TIR Customs Convention on the International Transport of Goods (Abbr.: Transports Internationaux Routiers)	3. CMR Customs Convention on the Contract for the International Carriage of Goods by Road	4. CCC Customs Convention on Containers	5. COTIF Convention Concerning International Carriage by Rail	6. International Convention on the Harmonization of Frontier Controls of Goods
					Limit, Liability for Wastage in Transit etc) Ascertainment of Partial Loss or Damage, Claims	
4	Harmonization And Simplification Of Customs Procedures / Customs Controls & Other Controls	Minimum Procedures / Reduced Delays at Border (Dwell-Time Reduction)			Regulations for International Carriage of Dangerous Goods by Rail (RID)	Rules/Provisions Concerning Medico-Sanitary, Veterinary, Phytosanitary Inspections
5	Consolidation of Documentation and Procedures / Risk Management Approach for Transit Traffic / Reduction in Dwell-Time	Vehicle/Container/Goods Guarantee			Rules Concerning Use of Vehicles in International Rail Traffic (CUV)	Cooperation / Coordination between Customs & Other border agencies
6	Customs Transit System, including a Customs Guarantee Coverage	Computerized Paper Document Processes			Use of Infrastructure in International Rail Traffic (CUI)	Facilitation of Border Crossing Procedures for International Rail Freight
7	Publication Of Procedures And Regulations				Privileges & Immunities (Of the Governing Body – OTIF)	
8	International Carriage By Road Of Goods And Baggage In Transit (Procedures For The Admittance Of Road Vehicles In The Other Contracting Parties' Territory)					
9	Duties, Taxes, Charges and Payment Arrangements; Rules / Procedures Concerning Multiple Entry Transit Permit					



**Table 4: Summary and Features - International Conventions With Respect To APTTA (7 To 12)**

	7. RKC Revised Kyoto Convention (International Convention on the Simplification and Harmonization of Customs procedures)	8. ATA CARNET Istanbul Convention on ATA Carnet / Convention on Temporary Admission	9.CBTA Cross-Border Transport Agreement (Agreement on the Cross-Border Transport of Persons, Vehicles & Goods under CAREC Framework)	10. CRSS Convention on road signs and Signals	11. Vienna Convention on Road Traffic	12. Customs convention on the Temporary Importation of Commercial Road Vehicles
<b>SUMMARY</b>						
1	-Signed June 1999, Entry into force Feb 2006-78 countries till the end of 2011	- Entry into force, Nov 27 1993 -a single international instrument combining all the existing Conventions on temporary admission -aimed at simplifying and harmonizing temporary admission procedures -Pakistan became the 45th Contracting Party	-Aims to smooth the movement of people and goods across borders in Central Asia  -Obstacles to that include poorly equipped border posts; excessive and expensive documentation in customs, immigration, and quarantine; and road permit quotas that restrict competition and slow trade	-Done on Nov 8, 1968, Came into force June 6, 1978 - An international treaty designed to increase road safety and aid international road traffic by standardizing the signing system for road traffic (road signs, traffic lights and road markings) in use internationally	-Done at Vienna on Nov 8, 1968, Entry into force 21 May 1977 - International treaty designed to facilitate international road traffic and to increase road safety by establishing standard traffic rules among the contracting parties	-Geneva – 18 May 1956; Entry into force 8 April 1959  -12 signatories, 41 Parties  - To contribute to the development of international trade
2	To promote the simplification and harmonization of customs procedures and, to that end, to conform, in accordance with the provisions of this Convention, to the standards, transitional standards and recommended practices in the annexes to this Convention	-Free movement of goods across frontiers and their temporary admission into a Customs territory with relief from duties and taxes	-Designed to facilitate international transit along the corridors, providing the basis for exchange of traffic rights between and among the participating countries and between and among the participating countries, and facilitation of frontier crossing formalities	-To improve the Traffic Control techniques  - By 30th June, there were 62 States as Contracting Parties to the Convention	- Ratified by 70 countries  - Benefits for motorists is the obligation on signatory countries to recognize the legality of vehicles from other signatory countries.	- To facilitate international road transport and apply to the temporary import of commercial road vehicles into the customs territories of the Community and third countries similar procedures and conditions to those applied to private vehicles
3	-Provides a set of comprehensive Customs procedures to facilitate legitimate international trade while effecting Customs controls including the protection of Customs revenue and society	-Requires contracting parties to accept the ATA carnet, an international customs document that assures through an international guarantee system that duties and taxes will be paid in cases	-Simplification and harmonization of clearance procedures/documents			

7. RKC Revised Kyoto Convention (International Convention on the Simplification and Harmonization of Customs procedures)	8. ATA CARNET Istanbul Convention on ATA Carnet / Convention on Temporary Admission	9.CBTA Cross-Border Transport Agreement (Agreement on the Cross-Border Transport of Persons, Vehicles & Goods under CAREC Framework)	10. CRSS Convention on road signs and Signals	11. Vienna Convention on Road Traffic	12. Customs convention on the Temporary Importation of Commercial Road Vehicles
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of misuse

4	<p>- Deals with key principles of simplified and harmonized Customs procedures, such as predictability, transparency, due process, maximum use of information technology, and modern customs techniques (e.g. risk management, pre-arrival information, and post clearance audit).</p>				
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## FEATURES

1	<p>General Annex:</p> <p>i. Clearance and Customs Formalities,</p> <p>ii. Security,</p> <p>iii. Customs Control,</p> <p>iv. Application of Information Technology,</p>	<p>-Simplifying and harmonizing Customs procedures (especially the temporary admission procedure)</p> <p>-Submission of an application and the necessary collateral to the country's home national guaranteeing organization, in order to use the Carnet to move goods</p>	<p>- Cross-border movement of people</p> <p>-Cross-border movement of means of transport</p> <p>-Cross-border activity of transport operators</p> <p>-Cross-border movement of goods</p> <p>-Infrastructure and facilities</p> <p>- Commodity description and coding</p> <p>-Cargo valuation system</p>	<p>Rules for:</p> <p>1.Road Signs:</p> <p>-A Danger warning signs</p> <p>-B Priority signs</p> <p>-C Prohibitory or restrictive signs</p> <p>-D Mandatory signs</p> <p>-F Information, facilities, or service signs</p> <p>-G Direction, position, or indication sign</p> <p>-H Additional panels</p>	<p>-Cars must display their registration number at the front and rear,</p> <p>-Motorcycles need display their registration number only at the rear</p> <p>-A distinguishing sign of the country of registration must be displayed on the rear of the vehicle</p>	<p>- Each party to Grant temporary admission without payment of import duties and taxes and free of import prohibitions and restrictions</p>
2	<p>v. Relationship between Customs and third parties,</p> <p>vi. Decisions and Rulings supplied by the Customs,</p> <p>vii. Appeals in Customs matters</p>	<p>-Facilitating temporary admission in pursuit of economic objectives by minimizing the costs of border crossing of goods between the member Countries</p>	<p>-Third party motor liability insurance</p> <p>-Market access, quotas and permits</p> <p>-Customs transit regime for goods</p> <p>Temporary admission regime for motor vehicles and containers</p>	<p>2.Road markings</p> <p>markings must be less than 6 mm high, with cat's eye reflectors no more than 15 mm above the road surface</p>	<p>The driver must carry the vehicle's registration certificate, and if the vehicle is not registered in the name of an occupant of the vehicle (for example a hire car), proof of the driver's right to be in possession of the vehicle</p>	<p>- The contracting party may authorize associations (affiliated international organizations) to issue either directly or through corresponding associations the temp importation papers covered under the convention.</p>

	7. RKC Revised Kyoto Convention (International Convention on the Simplification and Harmonization of Customs procedures)	8. ATA CARNET Istanbul Convention on ATA Carnet / Convention on Temporary Admission	9.CBTA Cross-Border Transport Agreement (Agreement on the Cross- Border Transport of Persons, Vehicles & Goods under CAREC Framework)	10. CRSS Convention on road signs and Signals	11. Vienna Convention on Road Traffic	12. Customs convention on the Temporary Importation of Commercial Road Vehicles
3	Specific Annex: i. Arrival of Goods in Customs Territory, ii. Importation, Exportation, iii. Customs Warehouses and Free Zones, iv. Transit and Transshipment, v. Inward and Outward Processing and Drawbacks, vi. Temporary Admission, vii. Customs Offences etc.	-Application of the Carnet to the categories of merchandise of commercial samples, professional equipment and goods for use at exhibitions and fairs  -Exception of Perishable and Consumable goods	-Road transport operators (licensing criteria, condition of carriage of transport services and road carrier liability)  -Other cross-border facilitation measures	3.Traffic Lights  Colors for traffic lights and their meanings, and places and purposes lights may be used for	- The vehicle must meet all technical requirements to be legal for road use in the country of registration	

## PAKISTAN'S FREE TRADE AGREEMENTS (FTAs) AND PREFERENTIAL TRADE AGREEMENTS (PTAs)

The table below enlists the FTAs and PTAs (and other agreements / committees) that Pakistan has signed with other countries till date, which have either been implemented or are in the process of implementation in Pakistan. The countries involved under these agreements with Pakistan are Australia, USA, Vietnam, Sri Lanka, China, Malaysia, Mauritius, Iran, Indonesia, ECO Members (Afghanistan, Iran, Turkey and Tajikistan – including Pakistan itself), SAARC Members (Afghanistan, Bangladesh, Bhutan, Maldives, India, Sri Lanka, Nepal – including Pakistan itself) and Developing-8 Muslim Countries (Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, and Turkey – Including Pakistan itself).

**Table 5: Overview of Pakistan's Free Trade Agreements and Preferential Trade Agreements**

Sr. No.	TRADE AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
1	<b>Pakistan – Australia Joint Trade Committee</b> Bilateral Trade Agreement undertakes to oversee smooth flow of trade between both countries and provides a periodic review of bilateral trade relations by an institutional mechanism of Joint Trade Committee (JTC).	Pakistan & Australia	Ministry of Commerce	Signed in June, 1990 Operational	-
2	<b>Pak-Vietnam Joint Trade Commission</b> Provides for the establishment of Pakistan-Vietnam Joint Trade Commission (JTC), the purpose of which is to consider proposals to expand and diversify trade between the two countries	Pakistan & Vietnam	Ministry of Commerce	Signed in 2001	Inaugural Session was held after the lapse of 10 years of the signing of the Agreement. It is important for both sides to hold regular meeting.
3	<b>Pakistan-Sri Lanka Free Trade Agreement</b> To offer preferential market access to each others' exports by way of granting tariff concessions on substantially all trade. The Agreement covers elimination of tariff on 80% of bilateral trade.	Pakistan & Sri Lanka	Ministry of Commerce	Signed 1st August 1, 2002 Operational since 12th June 2005	During the negotiations, Pakistan agreed to include some tariff lines of auto sector for tariff concessions to Sri Lanka. Subsequently, Pakistan withdrew these concessions. Sri Lanka has shown concern on this and both sides are trying to resolve this bilaterally.

Sr. No.	TRADE AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
4	<b>USA TIFA Council</b> The TIFA Council has been constituted under the bilateral Trade and Investment Framework Agreement signed by both countries in 2003. Wide range of initiatives to promote Trade and Investment are covered under this Agreement. The TIFA Council is Co-chaired by the Secretary Commerce of Pakistan and USTR with an objective to explore avenues of economic and trade Corporation.	Pakistan & USA	Ministry of Commerce	<b>Signed 25th June 2003</b>	-
5	<b>Economic Cooperation Organization Trade Agreement (ECOTA)</b> A Preferential Trade Agreement. Member States required to reduce tariffs on at least 80% of the tariff lines to maximum 15% over 8 years with the exception of Afghanistan for which the implementation period is 15 years.	Afghanistan, Iran, Pakistan, Turkey and Tajikistan	Ministry of Commerce	<b>Signed on July 17, 2003</b> Came into force in March 2008	The Agreement will be implemented once all the member countries submit their respective Offer Lists
6	<b>South Asian Free Trade Agreement (SAFTA)</b> To accelerate the process of economic and social development in Member States, the member states have created a free trade area. Members are also negotiating further deepening of tariff concessions by reducing their respective sensitive list products	Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Afghanistan and Sri Lanka	Ministry of Commerce	<b>Signed 6th January, 2004</b> Operational since 1st July 2006	The NTMs by India and denial of market access to India by Pakistan are preventing SAFTA from realizing its true potential. Pakistan is in the process of eliminating India specific import restrictions and it is expected that by December 31, 2012, Pakistan will grant MFN to India, which is a prerequisite for implementing SAFTA concessions. India is also in the process of addressing the complaints of SAARC members on NTMs
7	<b>Pak – Iran Preferential Trade Agreement</b> Under the Agreement, Pakistan offered concessions to Iran on 338 tariff lines,	Pakistan & Iran	Ministry of Commerce	<b>Signed on 4th March 2004</b> Operational since 1st Sep 2006	Implementation problems have been reported due to sanctions on Iran by the UN Security Council. Both sides are working on devising a currency swap arrangement to overcome this

Sr. No.	TRADE AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
	whereas Iran gave concessions on 309 tariff lines				challenge.
8	<b>Pakistan-China Free Trade Agreement (Goods and Investment)</b> The Agreement envisages a phased programme of Tariff elimination. The first phase is to conclude by December 2012. Both sides have also commenced negotiations for the second phase of the FTA.	Pakistan & China	Ministry of Commerce	<b>Signed 24th November 2006</b> Operational since 1st July 2007	There are problems relating to the verification of the "certificate of origin" being submitted by the traders for claiming preferential tariff. There is a need to develop an EDI by both sides for the expeditious verification of the Certificates of origin.
9	<b>Developing-8 (D-8)</b> An arrangement for development cooperation among the eight Muslim countries	Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey	Ministry of Commerce	<b>Signed in April 2006</b>	Cabinet (Pakistan) approved the ratification of the PTA on 8th December 2012. Egypt and Bangladesh have ratified the Rules of Origin, without which they would not be able to join the PTA.
10	<b>Malaysia Pakistan Comprehensive Economic Partnership Agreement (MPCEPA)</b> Initiative by the Government of Pakistan to secure market for its export products in Malaysia and deepen the economic and trade relationship with an important member of the region	Pakistan & Malaysia	Ministry of Commerce	<b>Signed 8th November 2007</b> Operational since 1st January 2007	-
11	<b>Pak - Mauritius Preferential Trade Agreement</b> Under the Agreement, Pakistan offered concessions to Mauritius on 130 items / tariff lines i.e. 1.9% of its total existing national tariff lines, whereas Mauritius has given concession on 102 items / tariff lines i.e. 1.64% of its total existing national tariff lines	Pakistan & Mauritius	Ministry of Commerce	<b>Signed on 30th July 2007</b> Operational since 30th November 2007	Both sides are in the process of expanding the scope of concessions by negotiating a comprehensive FTA. The pace of negotiations need to be accelerated by both sides for the early conclusion of the FTA

Sr. No.	TRADE AGREEMENTS	Parties To The Agreement	Lead Ministry in Government of Pakistan	Status (Accession/Implementation)	Key Impediment to Implementation
12	<b>Pakistan China Free Trade Agreement (on Services)</b> Both sides have provided market access on Services beyond their commitments in the respective offers for WTO members under their revised schedules for DOHA Round.	Pakistan & China	Ministry of Commerce	<b>Signed 21<sup>st</sup> February 2009</b> Operational since 10th October 2009	Pakistan & China needs to enter into Mutual Recognition Arrangements and Equivalency Arrangements to gain market access in services.
13	<b>SAARC Agreement on Trade in Services (SATIS)</b>	Afghanistan, Pakistan, Bangladesh, Bhutan, Maldives, India, Sri Lanka, Nepal	Ministry of Commerce	<b>Signed on April 28-29, 2010</b>	So far, 4 member states including India, Sri-Lanka, Bangladesh and Pakistan have ratified the Agreement. The member states are also in the process of finalizing their schedules of concessions. Early finalization of schedules and ratification by remaining members is essential for the implementation of the agreement.
14	<b>Pakistan Indonesia Preferential Trade Agreement (PTA)</b> To address the tariff barriers encountered by the core export products of both countries	Pakistan & Indonesia	Ministry of Commerce	Not Operational Agreement finalized on 16th September, 2011.	The Federal Cabinet of Pakistan in its meeting held on 2nd November, 2011 approved the signing and ratification of the Agreement. Both sides are in the process of completing their Codal formalities for implementing the Agreement. It is expected that by June 2012, the PTA will be made operational.

## BILATERAL INVESTMENT TREATIES (BITs)

Pakistan has signed BITs with 48 countries and organizations, the most recent of which has been signed with the U.S.A on 31<sup>st</sup> March, 2012, expected to essentially give confidence and safety to the investors that their property and investment will not be expropriated / nationalized. In Pakistan, no foreign enterprise has ever been nationalized. The table below enlists the countries / organizations Pakistan has BIT agreements with.

**Table 6: Countries / Organizations with which Pakistan has Bilateral Investment Agreements**

Sr. No.	Country	Date of Accession
1	Australia	07.02.1998
2	Azerbaijan	09.10.1995
3	Bangladesh	24.10.1995
4	Belarus	22.01.1997
5	<u>Belgo - Luxemburg</u> Economic Union	23.04.1998
6	Bosnia	04.09.2001
7	Bulgeria	-
8	Cambodia	27.04..2004
9	China	12.02.1989
10	Czech Republic	07.05.1999
11	Denmark	18.7.1996
12	Egypt	16.04.2000
13	France	01.06.1983
14	Germany	01.12.2009
15	Indonesia	08.03.1996
16	Iran	08.11.1995
17	Italy	19.07.1997
18	Japan	10.03.1998
19	Kazakhstan	08.12.2003
20	Kuwait	14.02.2011 17.03.1983
21	Kyrgyz Republic	23.08.1995
22	Lebanon	09.01.2001
23	Loas	23.04.2004
24	Malaysia	07.07.1995
25	Mauritius	03.04.1997
26	Morocco	16.04.2001
27	Netherlands	04.10.1988
28	Oman	09.11.1997
29	Philippines	11.05.1999
30	Portugal	17.04.1995



31	Qatar	06.04.1999
32	Romania	10.07.1995
33	Singapore	08.03.1995
34	South Korea	25.05.1988
35	Spain	15.09.1994
36	Sri Lanka	20.12.1997
37	Sweden	12.03.1981
38	Switzerland	11.07.1995
39	Syria	25.04.1996
40	Tajikistan	13.05.2004
41	Tunisia	18.04.1996
42	Turkey	15.03.1995
43	Turkmenistan	26.10.1994
44	U.A.E.	05.11.1995
45	U.S.A	31.03.2012
46	United Kingdom	30.11.1994
47	Uzbekistan	13.08.1992
48	Yemen	11.05.1999

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